



GOVERNOR'S TRANSACTION PRIVILEGE TAX SIMPLIFICATION TASK FORCE MINUTES

Thursday, December 13, 2012

1:30 PM

1700 W. Washington, Governor's 2nd Floor Conference Room
Phoenix, Arizona 85007

A public meeting of the Transaction Privilege Tax Simplification Task Force was convened on December 13, 2012 in the 2nd Floor Conference Room, 1700 West Washington, Phoenix, Arizona 85007. Notice having been duly given. Present and absent were the following members of the Task Force.

Members Present

Michael Hunter (Chair)
John Olsen
Miguel Teposte
Tom Belshe
Kevin McCarthy
Steve Barela

Keely Hitt
Lynne Herndon
Vince Perez
Linda Stanfield
Senator John McComish
Representative Rick Gray

Members Absent

No members were absent.

Others Present

Lorna Romero, Governor's Office
Lindsay Scornavacco, Governor's Office
Chris McIsaac, Governor's Office

Patrick Irvine, Fennemore Craig

1. Call to Order

Michael Hunter called the meeting to order at 1:31 p.m.

Governor Jan Brewer joined the Task Force and thanked them for all of their hard work. She stated she is hopeful about the recommendations she will receive and believes they will lead to administrative and legislative changes. Governor Brewer wished everyone Happy Holidays.

Mr. Hunter stated the working group chairmen and all of the members of the Task Force were given certificates of appreciation from the Governor for all of their time and effort.

2. Approve Previous Meeting Minutes

Steve Barela made a motion to approve the minutes from the previous TPT Task Force meeting.

Lynne Herndon seconded the motion.

The Task Force unanimously approved the minutes.

3. Adopt Final TPT Report

Mr. Hunter presented the final TPT Task Force Report. He explained that he received suggestions and amendments and made changes to the draft report. He stated most of the feedback he received was positive and supportive of the report.

a) Task Force Discussion

Kevin McCarthy commented one of the recommendations infers that taxpayers have avoided multi-jurisdictional audits because they do not want to be audited. A multi-jurisdictional audit is not one audit. It could open the taxpayer up to 50 different audits, each with varying definitions and interpretations. He continued that the issue is not that taxpayers do not want to be audited, but they do not want the torturous requirements associated with a multi-jurisdictional audit.

Mr. Hunter stated Mr. McCarthy's comment is an example of what will happen once the final report is made public. People will claim things that were never written in the report. Mr. Hunter asked the Task Force if they were comfortable with a voice vote for approval of the final report.

Tom Belshe stated he will vote in favor of the report, but asked to make comments on behalf of the cities and towns. The cities and towns support the vast majority of the recommendations in the report and believe they will take the state to a new level of simplification. He continued that he is grateful the cities and towns had the opportunity to have their concerns expressed in the report, especially in regards to recommendations for state administration of audits and construction contracting. The cities and towns want to be a partner in discussions before legislation is drafted because they believe certain recommendations will have drastic effects on budgets. Mr. Belshe stated the experience has been very eye-opening and he believes a lot can be done without the need for legislation. He thanked the Governor and Mr. Hunter for allowing him the opportunity to participate on the Task Force.

The Task Force adopted the final report with no opposition.

4. Call to the Public

No members of the public signed in to speak.

5. Adjournment

Mr. McCarthy stated he wished to echo Mr. Belshe's comments and thanked the Governor and Mr. Hunter for allowing him to participate. He also commented Mr. Hunter did an outstanding job leading the way through the process.

Mr. Hunter commented this experience has also been very eye-opening for him and he believes he has made a number of friends from the Task Force. He thanked everyone for their hard work, including staff from the Department of Revenue and the Governor's Office.

Mr. Hunter adjourned the meeting at 3:30 p.m.